

Commercial Cannabis Program

Frequently Asked Questions

General

1. What business types does the City of Stockton allow?
 - The City of Stockton allows the following Commercial Cannabis business types with no limit on number of businesses: Non-Retail Storefront (Delivery), Non-Volatile Manufacturing, Distribution, and Testing Laboratories.
 - The City of Stockton allows the following Commercial Cannabis business types with a controlled roll-out using an annual lottery: Retail-Storefront, Indoor Cultivation, Volatile Manufacturing, Microbusiness.
 - The City of Stockton does not allow the following Commercial Cannabis business types: Outdoor cultivation or any Cannabis business engaging in the sale of medical or adult-use cannabis or cannabis products at a location other than that permitted through cannabis operator's permit.
2. How do I start applying for a Commercial Cannabis business?
 - For Non-Retail Storefront (Delivery), Non-Volatile Manufacturing, and Distribution Businesses, proceed directly to the [Use Permit application chapter](#) of this document the process a use permit with the Community Development Department.
 - For Retail Storefront, Cultivation, Volatile-Manufacturing, and Microbusiness Types, proceed to the [Commercial Cannabis Lottery chapter](#) of this document to apply for the commercial cannabis lottery.
3. Does the City of Stockton have an Equity Program?
 - The City of Stockton has the following components of an equity program: Equity Pool in the Annual Commercial Cannabis Business Lottery and the Workforce Diversity Program. Please see below for more information on the Equity Pool in the Annual Commercial Cannabis Business Lottery and the Workforce Diversity Program.
4. Does the City of Stockton provide fee assistance for Commercial Cannabis Applicants?
 - The Community Development Department currently does not provide fee assistance for Commercial Cannabis Applicants. Interested applicants are encouraged to contact the [Economic Development Department](#) for small business assistance questions and resources at economic.development@stocktonca.gov.
5. Can I apply for a Commercial Cannabis Business if I have a prior conviction for possession in the State of California?
 - Operator's permits may be denied for owners, officers, co-partners, or stockholders if found to have been convicted of a felony conviction, crimes of violence, crimes involving narcotics, fraud, gambling, bookmaking, theft, moral turpitude, or any crime involving evasion of taxes. However, reviews of past convictions are determined on a case-by-case basis. ([SMC 5.100.070](#)) Contact [Stockton Police Department](#) Special Investigations Division with questions related to Cannabis Operator's permits.
6. Where can I go to get more information about the Commercial Cannabis Program?

- The [City of Stockton's Commercial Cannabis Website](#) contains up-to-date information, announcements, and materials related to the Commercial Cannabis program. For questions, please contact CannabisReg@stocktonca.gov.
- The State of California's [Bureau of Cannabis Control](#), Cal Cannabis [Cultivation regulations](#), and the Department of Public Health [division on Cannabis Manufacturing](#) contain resources on state legislation, starting a commercial cannabis business, and other resources for business owners and residents.
- To receive notifications for future news, email CannabisReg@stocktonca.gov and provide email address.

Lottery Application

1. How can I apply for the lottery?
 - The Lottery application is available at online during the application period. Applicants may download and fill out the pdf. Applications are only accepted via email in PDF format with all attachments included. Please, email all applications and materials to CannabisLottery@stocktonca.gov.
2. Is there a fee required to submit a Commercial Cannabis Lottery Application?
 - There is currently no fee required to submit a Commercial Cannabis Lottery Application.
3. Do I need to have a location to submit an application?
 - A physical location for your commercial cannabis business is not required for entry in the Commercial Cannabis Lottery. If awarded, a physical location is required prior to submitting a Planning Application for the proposed project.
4. What is required to submit an application?
 - General pool applicants must submit proof of business structure type.
 - Equity pool applicants must submit proof of business structure type AND all proof of equity eligibility requirements including proof of residency and Equity Eligibility.
5. What is required as proof of business structure type?
 - A California Secretary of State identification number, LLC number, Corporation Number, or other notarized agreement of partnership is required, depending on the business type.
 - Applicants who are applying as a sole proprietorship are required to submit the Sole Proprietorship form and a California Notary Acknowledgement. These documents are available on our website during the application period.
6. Can I enter multiple applications?
 - There is a limit of one application per person.
7. I am listed as a business owner in multiple applications, can I still apply?
 - There is a limit of one application per person per business. All business owners are considered as applicants under one application.

Equity Applicants in the Lottery

1. Can I enter as an Equity Applicant?
 - Applicants who meet each of the following criteria are eligible for the Equity pool of the lottery:
 - Resident of Stockton

- 50% owner of the business, AND
 - One Equity Eligibility requirement (SB 535, Op Zone, HUD area, MBE, WBE)
2. What is required as proof of Residency in the City of Stockton?
 - Driver's license, utility bill statements, lease agreement, or other form of identification scanned to a PDF and attached to the application.
 3. What is required as proof of 50% ownership of the business?
 - Proof of business structure type that falls under the above requirements, that indicates the applicant is a 50% owner.
 - If the applicant is applying as a sole proprietor, then the Sole Proprietorship form and signed and Notarized Acknowledgement is required.
 4. What is required for proof of the Equity Eligibility Requirement?
 - For the SB 535 and Opportunity zone requirements, a screen capture of the address from the application and the proof of residency landing in the SB 535 Area or Opportunity Zone address search websites.
 - For the HUD Area requirement, proof of 80% of Area Median Income (AMI) according to the US Department of Housing and Urban Development's Annual AMI index for the City of Stockton Area. Eligible applicants can submit the following as proof of eligibility requirement: previous year's tax returns, eligibility letters from San Joaquin County Human Services, Section 8, or Medicaid for those who do not file taxes.
 - For the Minority Business Enterprises and Women's Business Enterprise, the scanned certificate of completion of a Minority Business Enterprise or Women's Business Enterprise Certification program will qualify as proof of eligibility requirement.
 5. I entered as an Equity applicant, but I do not meet the qualifications. Will my application be denied?
 - If the equity requirements are not met, but the application qualifies for the general pool, the application will be entered into the general pool automatically. A confirmation email with information on application status will be sent to the email listed on the application.

Lottery Screening Process

1. How do I know if my application has been received?
 - You will receive a confirmation email which will include a confirmation number by the notification screening date. The application information will ONLY be sent to the email address listed on the application. Please ensure that the email address is printed clearly and entered correctly.
2. How do I know if my application has been approved?
 - If your application has been approved, you will receive your lottery number via email. If your application has been denied, you will receive notice via email. The application information will ONLY be sent to the email address listed on the application. Please ensure that the email address is printed clearly and entered correctly.
3. When will I receive my lottery number?
 - You will receive a confirmation email with information on your application by the screening notification date. The application information will ONLY be sent to the email address listed on the application. Please ensure that the email address is printed clearly and entered correctly.
4. I entered as an Equity applicant, but I don't meet the qualifications. Will my application be denied?

- If you do not meet the equity requirements, but you meet the requirements for the general pool, your application will be entered into the general pool automatically. The confirmation email with information on your application will contain whether your application has been denied or approved.

Lottery Drawing

1. Where can I view the lottery drawing?
 - The Lottery drawing will be uploaded to the City's website within one week of holding the lottery. If you are interested in obtaining meeting invitation log-in information, please email CannabisReg@stocktonca.gov to be added to the notification list.
2. Can I win multiple business types in the lottery?
 - Yes. There is no limit to the amount of business types that you can apply for on the application, and you are issued a lottery number for each business type.
3. How do I know if I won the lottery?
 - Winning Lottery numbers will be posted on the Commercial Cannabis website within one week of conducting the lottery. Lottery winners will be contacted by the email address listed on their application.
4. Can I enter the lottery for next year?
 - Yes. All lottery applicants can apply for the next Commercial Cannabis Lottery.
5. Can I transfer my winning lottery application to someone else?
 - No. The winner of the Commercial Cannabis Lottery is the only person who can apply for a land use permit, business license, and Operator's permit for the business type won through the lottery.
 - Once the process for Operators permit and Business licenses are approved and compliant with the City of Stockton, the applicant may issue amendments to the business license and Operators permit.
 - The approved land use permit cannot be transferred from one address to another.

Commercial Cannabis Business Locations

1. Where can I operate my commercial cannabis business?
 - For more information on Zoning and Location requirements, visit our [Maps & Allowable Zoning Districts page](#) on the Commercial Cannabis Website.
2. Can I operate a Commercial Cannabis Business out of my home or out of a vehicle?
 - Commercial Cannabis Businesses are **NOT** permitted in Residential zones, (Includes Residential Estates, Low Density Residential, Medium Density Residential, High Density Residential) and Public Facilities Zones. For More information on Zoning and Location requirements, visit our [Maps & Allowable Zoning Districts](#) page on our Commercial Cannabis Website.
 - Currently, the City of Stockton does not allow mobile vendors for Commercial Cannabis Businesses. The State of California Business and Professions Code ([Section 260051.5](#)) requires a Premise for Commercial Cannabis Businesses.
3. What are the location requirements?

- Commercial Cannabis Businesses must abide by these location requirements as outlined in the Municipal Code ([Section 16.80.195](#)).
 - Must be 300 feet from Residential Zone
 - Must be 600 feet from K-12 Schools, Parks, Religious Facilities, Child Care Centers, Family Day Care Home, or Drug-Abuse or Alcohol Treatment Facilities.
4. Do I have to provide a signed lease or a title agreement when I apply for a Use Permit?
 - No. A property owner signature is required on the Use Permit Application. Property Owners may require a lease agreement as a condition of their acknowledgement on the Use Permit Application.
 5. I have a location that is not within location requirements, can I still apply?
 - Yes. Applicants can include a Location Requirement Waiver with your Use Permit Application. As permitted by 16 Cal. Code Regs. 5026(b), The City of Stockton may waive location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situations where the literal application of the distance requirement is not reasonable. Waiver Determinations will be made on a case-by-case basis. ([Section 16.80.195](#)).
 6. What is a Location Requirement Waiver and what is required?
 - A Location Requirement Waiver is a separate document from Use Permit Application with an explanation on why the waiver is required. An application must indicate at the end a Land Use Permit application is submitted that a waiver from the location requirements is desired by the applicant. There is an additional fee to process the review of the waiver. As permitted by 16 Cal. Code Regs. 5026(b), The City of Stockton may waive location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situations where the literal application of the distance requirement is not reasonable. Waiver Determinations will be made on a case-by-case basis. ([Section 16.80.195](#)).
 - A Location Requirement Waiver does not guarantee approval of the Use Permit. The Location requirement waiver will be considered as a part of a Land Use Permit Application.
 7. Can I apply for a use permit application with an Empty or Vacant Lot?
 - Yes. This would require that the applicant also request a [design review](#) for the project. There is an additional fee required. There may also be a need to conduct an environmental review based on the location and the proposed project. If your land use application is approved, then you must proceed with applying for a [Building permit](#) within 12 months. Please see the [Building Division](#) of the Community Development Department for a Building Permit application.
 8. I have a location that I want to use, how do I know that it meets location requirements?
 - Potential applicants can request a neighborhood context map, which will detail the buffers for 300 and 600 feet, and the properties that lie within those buffers without having to submit a planning application. Contact CannabisReg@stocktonca.gov for more information.

Use Permit Process

1. What is needed for a use permit application?
 - [The Use Permit Application](#) requires the following:
 - A location that follows zoning and location requirements.

- A completed neighborhood context map with the current land use for each address within 300 and 600 feet.
 - A floor plan that follows the Planning Department requirements for Floor Plan submittal.
 - A site plan that follows the Planning Department requirements for Site Plan submittal.
 - The completed and signed Use Permit Application
 - The payment of Use Permit Application Fees.
2. For Commercial Cannabis Lottery Winners, what is the deadline to submit an application?
 - Commercial Cannabis Lottery winners have 60 days from the date of the lottery drawing to submit a complete Land Use Permit application to the Permit Center.
 3. What happens after my application is received?
 - First, the application is reviewed by Community Development, Planning Division Staff to ensure all requirements are met. The Staff assigned to the planning application will be contacting the applicants with follow up questions to the application and application materials. The application review period can take up to 30 days to complete.
 - Once the submittal is found to be complete, the Public Notice period begins. It is required by the Stockton Municipal Code that the Public Notice period lasts 10 days. For Commission Use Permits, a public notice gets mailed out to the addresses within 300 feet of the location, notifying residents that a public hearing is occurring during a Planning Commission meeting to consider approval of a Use Permit. For an Administrative Use Permit, a public notice gets mailed to the addresses within 300 feet of the location, notifying residents that the Director of the Community Development Department will consider the Administrative permit approval. The public notice period can take up to 10 days to complete.
 - Then, the Commission Use Permit application is presented to Planning Commission at a public hearing. The Planning Commission can approve or deny the Use Permit application.
 - If the Planning Commission approves the Commission Use Permit, then the Use Permit becomes effective in 10 calendar days.
 4. Can I apply for multiple businesses at a single location?
 - Land use permits can include multiple cannabis business types. (Ex: One Use Permit for both retail and distribution at the same address in an industrial zone.) Keep in mind that if the cannabis business is Retail Storefront, Volatile Manufacturing, Cultivation or Microbusiness then applicants must be awarded the opportunity to apply through the annual lottery program.
 - Testing Laboratory business type is the only cannabis business type that may not be located at the same location as any other cannabis business type.
 5. Who Approves my Land Use Permit Application?
 - For Commission Use Permits or Administrative Use Permits when a request for a public hearing is made by the public, City Staff presents a staff report to a public hearing where the applicant has the opportunity to present the use and comment on the project. Board members on the Planning Commission and City council make the decision on whether a use permit is approved.
 6. What Commercial Cannabis businesses have their land use approved?

- The City of Stockton keeps a list of approved land use permits for Commercial Cannabis Businesses on the Commercial Cannabis Program website. Visit our [Legal Cannabis Businesses page](#) on the Commercial Cannabis Program website for the most current list.
7. Is there a limit to the number of Cannabis Businesses within a certain proximity of one another?
 - No, the Stockton Municipal Code no longer includes restrictions based on proximity of other Commercial Cannabis businesses.
 8. What happens after my use permit is approved?
 - Once the Use Permit has been approved, the applicant may apply for Tenant Improvements (TI's) or Building Permit as needed for the property with the Community Development Department.
 - Once the Use Permit has been approved, the applicant is directed to apply for Business License, Operator's Permit, and State License.

Business License Process

1. What is needed for a business license?
 - The [Business License Application](#) for Commercial Cannabis requires the following:
 - An approved Use Permit
 - Fees associated with the Operators Permit Application
 - [Police Clearance Forms](#) to be completed and submitted for each owner and employee.
 - The Annual Fee for Business License (Once the Operator's Permit is approved).
2. How long does this process take?
 - The Business License is approved when the Operator's Permit is approved.
3. When will I pay my annual fee for Business license taxes?
 - The annual business license taxes will be accepted when the Operator's Permit is approved.

State Cannabis License

1. What is needed to obtain a State license?
 - The requirements for a State License are listed on the Website. Visit the State of California [Bureau of Cannabis Control](#) for retail, delivery, and distribution resources and licensing. Visit the State of California Food and Agriculture Cal Cannabis website for [Cultivation regulations](#) and licensing. Visit the State of California Department of Public Health [division on Cannabis Manufacturing](#) for resources and licensing.
 - The State licensing agency contacts the Police Department for confirmation of compliance. If the applicant is in good faith effort to proceed with the Operator's Permit, then the Police Department will notify the State that the Applicant is in compliance or in process of compliance with Local Ordinance.
2. Should I get my State license first?
 - The State will not issue a license if the business is not in compliance with local ordinance. To receive a Letter of Compliance from the City of Stockton, the applicant must follow local regulations with applying for a Commercial Cannabis Business.

Operators Permit Process

1. What is needed to obtain an Operators permit?
 - The following is needed for the [Operator's Permit Application](#):
 - Security and Lighting Plan
 - Background checks of the business owner and employees
 - Statement of Consent from property owner
 - Letter of Compliance from the State License Department
 - Final Police Department Inspection
2. How long does this process take?
 - a. The average processing time takes up to 2-3 months to complete.

Operating a Commercial Cannabis Business

1. When will I be able to open?
 - Commercial Cannabis Businesses will be able to open with the following approvals:
 - Approval of the Land Use Permit from the Planning Department at the Community Development Department
 - Certificate of Occupancy from the Building Department at the Community Development Department
 - State Commercial Cannabis License approval
 - Business License application approval
 - Operators permit approval
2. Can I transfer my cannabis business to someone else?
 - Land use permits are in effect at the address of issuance regardless of applicant, and no transfers are needed once the land use permit has been approved. The land use permit cannot be transferred while in the process of approval.
 - Business licenses are renewed annually and can be amended by the applicant.
 - Operators permits are renewed annually and can be issued with affidavits if there is a change in ownership or any change in employees.
3. Can I expand my Cannabis business to another location?
 - Commercial Cannabis Businesses require completion of the entire licensing process: Land Use Permit, Business license, and Operators permit for each location of a Commercial Cannabis Business.
4. Does the City of Stockton charge any annual fees for commercial cannabis businesses?
 - The City of Stockton requires the annual payment of the Business license to renew Business license for all Businesses and a notice of renewal for an operator's permit to be submitted to Stockton Police Department. Commercial cannabis businesses are also required to pay a cannabis business tax based on revenue. The current rates are:
 - Cultivation – 5%
 - Retail (Non-Storefront and Storefront) – 5%
 - Manufacturing (Non-Volatile and Volatile) – 3%
 - Microbusiness – 5%
 - Distribution – 1%
 - Testing Laboratory – 0%

5. Is there a Commercial Cannabis Business Association in Stockton?
 - There is no current Commercial cannabis business association in the City of Stockton.
 - The [California Cannabis Industry Association](#) is a State-wide business association for education and support of Commercial Cannabis Businesses in the State of California.
6. What is the Workforce Diversity Program?
 - The workforce diversity program is a voluntary program for Commercial Cannabis businesses. Businesses will be able to apply for the program during the business license application process and annual business license renewal process.
 - To qualify for the program, businesses must meet a 50% diverse workforce requirement, where employees reside in SB535 Disadvantaged area or [Kelley Drive Neighborhood](#). If businesses meet this threshold, businesses will be provided a 50% reduction of the total amount due in taxes based on estimated gross receipts.

Other

1. What is the City of Stockton's policy for growing cannabis for personal use?
 - The City of Stockton reflects the State of California's personal use policy except for the following provisions:
 - Cannabis cultivation for personal use must be located inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.
 - All cannabis cultivation for personal use within a private residence must be conducted in a manner that prevents cannabis plants from being visible from any street, sidewalk, or other place freely accessible by the public and prevents the odor of cannabis from permeating beyond the boundaries of the parcel or property where the indoor cultivation is occurring.
2. What is the City of Stockton's policy for growing, manufacturing, or selling industrial hemp and industrial hemp products?
 - Industrial hemp is not included in the definition of commercial cannabis and is not pursuant to Commercial Cannabis Legislation and regulation as per the Stockton Municipal Code Chapter 5.100 and the State of California Business and Professions Code Section 26001(f).
3. What is the City of Stockton's policy for manufacturing and/or selling CBD oil and CBD products?
 - If the CBD oil and CBD products are Cannabis derived, then the applicant must proceed with either the Commercial Cannabis Lottery or Use Permit depending on the business type.
 - If the CBD oil and CBD products are Hemp derived, then the applicant may proceed with the Business License and/or Planning Permit process to establish a use at a location.